

Chapter 4 Measures against Organized Crime

Section 1: Measures against Boryokudan

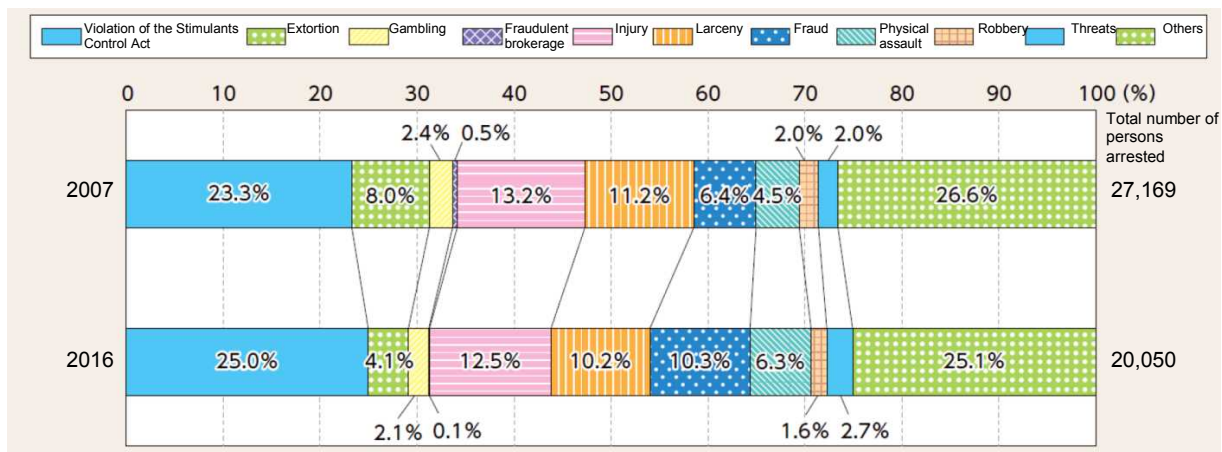
1. Situation of Boryokudan

The total number of full and associate members of Boryokudan has declined since 2005. In addition, more than 70% of that number belongs to one of the major Boryokudan groups; however, the demographic has been changing since the formation of the Kobe Yamaguchi-gumi following the split of the Rokudaime Yamaguchi-gumi in August 2015, which once accounted for slightly less than 50% of the total number of full and associate members of Boryokudan.

2. Measures against Boryokudan

The total number of full and associate members of Boryokudan and other related individuals arrested has been on a declining trend in recent years. Of the total arrests, the percentage of arrests for violations of the Stimulants Control Act and conventional money acquisition offenses, such as extortion, gambling and bookmaking, has hovered around 30%, which means that these are important sources of funds. However, the percentage of persons arrested for frauds that can be committed without the exercise of the power of Boryokudan is increasing. This reveals how Boryokudan are changing their activities for acquiring funds.

Status of Boryokudan Members Arrested by Crime (2007, 2016)



Section 2: Measures against Drugs and Firearms

1. Drugs Situation

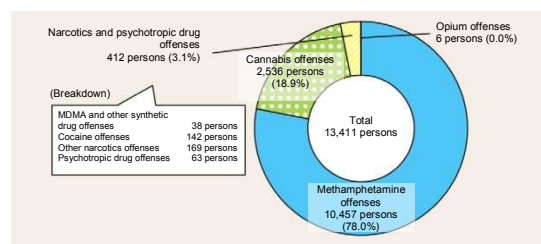
The number of persons arrested for drug offenses in 2016 remains high at 13,411. In addition, there have been a series of smuggling cases of large amounts of methamphetamine using vessels, indicating that the drug situation remains an issue of concern.

2. Firearms Situation

In 2016, including shooting incidents caused by the turf war between the Rokudaime Yamaguchi-gumi and Kobe Yamaguchi-gumi, a series of shooting incidents believed to be caused by Boryokudan have occurred in downtown and residential areas, with the number of cases involving the use of firearms reaching 112. This indicates that the firearms situation remains in a difficult situation.

The police are carrying out comprehensive anti-firearm measures, such as conducting crackdowns focused on exposing the weapon caches and smuggling/illicit trade of firearms of criminal organizations, calling on all people to support the eradication of firearm crimes and elimination of illegal firearms and striving to ensure public understanding and support through activities in collaboration with related organizations and groups.

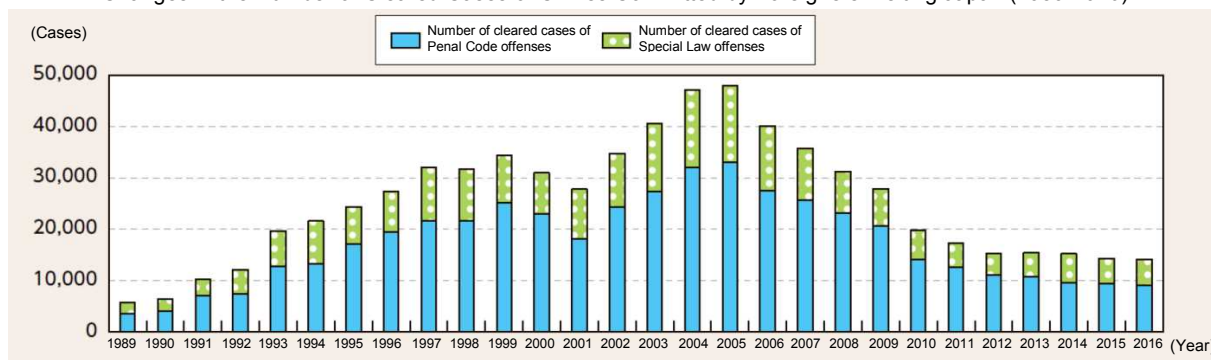
Number of Persons Arrested for Drug Offenses (2016)



Section 3: Measures against Crimes Committed by Foreigners Visiting Japan

The number of cleared cases of crimes committed by foreigners visiting Japan was on the rise after 1989, however, it has decreased significantly since peaking in 2005 at 47,865. In 2016, the number of cleared cases was 14,133.

Changes in the Number of Cleared Cases of Crimes Committed by Foreigners Visiting Japan (1989-2016)



Section 4: Measures against Criminal Proceeds

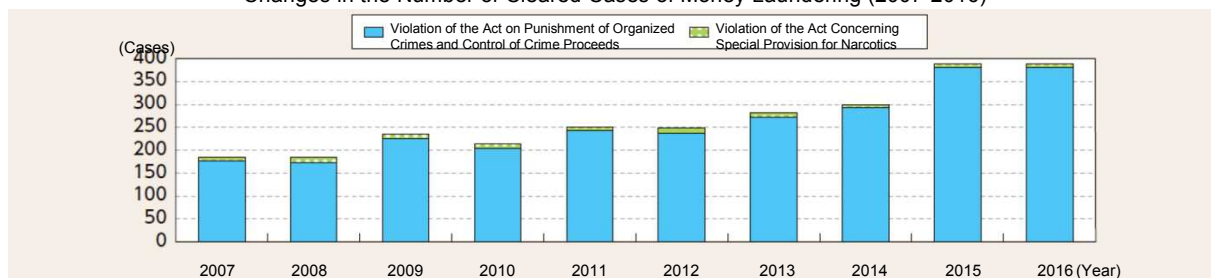
1. Activities Based on the Act on Prevention of Transfer of Criminal Proceeds

In order to effectively advance measures against criminal proceeds, it is important that the obligation to confirm the identity of the customer at the time of transaction and the obligation to give notification of suspicious transactions are appropriately fulfilled by the specific business operators based on the Act on Prevention of Transfer of Criminal Proceeds. The information on suspicious transactions that business operators report to each competent authority is provided to investigation agencies and other bodies, and is utilized for investigation of money laundering offenses.

2. Situation on Cleared Money Laundering Related Cases

The number of cleared money laundering cases in 2016 was 388, a decrease of 1 from the previous year. Among these, 76 cases were committed by Boryokudan members, accounting for 19.6% of the total number of cases. This data shows that Boryokudan members are conducting money laundering of the funds they acquired through crimes such as frauds and thefts.

Changes in the Number of Cleared Cases of Money Laundering (2007-2016)



Classification \ Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Violation of the Act on Punishment of Organized Crimes and Control of Crime Proceeds (cases)	177 (60)	173 (63)	226 (90)	205 (90)	243 (81)	238 (55)	272 (75)	293 (55)	381 (89)	380 (70)
Management control of enterprises (Article 9)	0 (0)	1 (1)	0 (0)	1 (0)	1 (0)	0 (0)	2 (0)	1 (1)	2 (0)	0 (0)
Concealment of criminal proceeds (Article 10)	137 (35)	134 (41)	172 (49)	139 (46)	150 (43)	158 (27)	171 (35)	180 (26)	234 (43)	268 (45)
Receipt of criminal proceeds (Article 11)	40 (25)	38 (21)	54 (41)	65 (44)	92 (38)	80 (28)	99 (40)	112 (28)	145 (46)	112 (25)
Violation of the Act Concerning Special Provision for Narcotics (cases)	7 (5)	12 (5)	10 (4)	9 (5)	8 (3)	11 (4)	10 (10)	7 (5)	8 (5)	8 (6)
Concealment of drug criminal proceeds (Article 6)	5 (4)	10 (4)	5 (1)	8 (4)	8 (3)	8 (2)	6 (6)	5 (3)	5 (3)	5 (4)
Receipt of drug criminal proceeds (Article 7)	2 (1)	2 (1)	5 (3)	1 (1)	0 (0)	3 (2)	4 (4)	2 (2)	3 (2)	3 (2)

Note: Numbers in parentheses indicate offenses committed by Boryokudan members.